



## ARIZONA DEPARTMENT OF FINANCIAL INSTITUTIONS

Felecia A. Rotellini  
Superintendent of Financial Institutions

Janet Napolitano  
Governor

December 8, 2008

To: All Licensed Mortgage Brokers, Mortgage Bankers and Commercial Mortgage Bankers

RE: Transitioning to the Nationwide Mortgage Licensing System - NMLS

The Arizona Department of Financial Institutions ("AzDFI") is proud to announce that we will begin using the CSBS/AARMR Nationwide Mortgage Licensing System (NMLS) starting January 2, 2009. NMLS, developed through the Conference of State Bank Supervisors (CSBS) and the American Association of Residential Mortgage Regulators (AARMR), is a web-based licensing system that will allow a company to conveniently manage its' mortgage license(s) in an electronic format through a secure website.

The Nationwide Mortgage Licensing System is online at:

[www.stateregulatoryregistry.org/NMLS](http://www.stateregulatoryregistry.org/NMLS)

### **AzDFI Renewal/Transition Plan**

#### ***Mortgage Bankers and Commercial Mortgage Bankers:***

Each licensed mortgage banker and commercial mortgage banker has until March 31, 2009 to complete and submit a Form MU1 for their license; a Form MU2 for each of their control persons, responsible individual and officers; and a Form MU3 for each licensed branch. NMLS is available immediately for you to begin creating your record. Completing and submitting this record through NMLS will take the place of the renewal process for March 2009.

**IMPORTANT: The entitlement process takes 24 to 72 hours, therefore waiting until March 31<sup>st</sup> to create your record may cause you to miss your transition/renewal deadline.**

#### ***Mortgage Brokers:***

Each licensed mortgage broker has until June 30, 2009 to complete and submit a Form MU1 for their license; a Form MU2 for each of their control persons, responsible individual and officers; and a Form MU3 for each licensed branch. NMLS is available immediately for you to begin creating your record.



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### ***All Licensees:***

AzDFI encourages all mortgage bankers, commercial mortgage bankers and mortgage brokers to make any necessary changes to their license prior to **December 15, 2008** because no paper forms for changes to your license(s) will be accepted after this date. A copy of the transition plan can be found on AzDFI's website, [www.azdfi.gov](http://www.azdfi.gov).

### **How to Access NMLS**

In order to gain access to NMLS for the first time you must complete a ***Company Account Request Form*** and identify a *Primary Account Administrator* and a *Secondary Account Administrator*. This form can be submitted electronically through the NMLS website in the "Getting Started" section. This form only needs to be submitted once per company, regardless of the number of NMLS participating states in which you are licensed. **IF YOUR ENTITY IS ALREADY ON NMLS, THEN YOU DO NOT NEED TO DO THIS STEP.**

Once you complete and submit this form, the *Primary Account Administrator* will receive your NMLS login information within 3 business days. The *Primary Account Administrator* for your company will have full rights to (1) access the System, (2) submit information to this Agency and other participating state mortgage regulators, and (3) set-up other company users in the System. Instructions and tutorials on how to access and use the System are also available on the NMLS website.

### **Forms to Complete and Fees**

Once you are able to access NMLS, you will need to submit the following MU Forms through NMLS. Mortgage bankers and commercial mortgage bankers must have submissions completed by March 31, 2009 and mortgage brokers by June 30, 2009. Instructions and tutorials on how to complete these forms are available online at [www.stateregulatoryregistry.org/nmls](http://www.stateregulatoryregistry.org/nmls).

1. ***Licensed companies*** submit a ***Form MU1***
2. ***Each Control Person*** (such as an executive officer, qualified individual, responsible individual and branch manager) must complete a ***MU2 Form***, as part of their Form MU1 filing. Prior to submitting the MU2 Form to AzDFI, the control person must first attest to the information contained in the form.
3. Companies submit for each ***Licensed Branch*** a ***Form MU3***
4. AZ State specific forms will be available beginning ***January 2, 2009***.



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You may begin creating these forms prior to January 2, 2009, but will not be able to submit a completed application to AzDFI until January 2, 2009.

**NOTE:** If you have submitted these forms in another state, then you ***do not need to re-enter your company or branch*** into NMLS. You will only need to identify the appropriate license type in Arizona and complete a few state specific fields.

### **AzDFI Prorated Renewal Fees**

<b>Mortgage Bankers: Greater than 100 loans:</b>	<b>\$937.50</b>
<b>Less than 100 loans:</b>	<b>\$562.50</b>
<b>Mortgage Banker Branches:</b>	<b>\$187.50 for each licensed branch</b>
<b>Commercial Mortgage Bankers:</b>	<b>\$937.50</b>
<b>Commercial Mortgage Banker Branches:</b>	<b>\$187.50 for each licensed branch</b>
<b>Mortgage Broker:</b>	<b>None</b>
<b>Mortgage Broker Branches:</b>	<b>None</b>

Note: Mortgage Banker Fees are based on loans closed in the previous calendar year. AzDFI Renewal Fee is referred to as a Transition Fee on the NMLS system.

### **NMLS Fees**

For companies transitioning an existing license onto NMLS, there is a NMLS system processing fee of \$100.00 per company license and \$20.00 per licensed branch location. These fees along with AzDFI Prorated Renewal Fee will be required to be paid electronically through NMLS upon submission. The NMLS processing charges are applied on a per license per state basis.

On an ongoing basis, NMLS will annually charge a processing fee of \$100 per company license, and \$20 per licensed branch location.

There are no other NMLS processing fees. These processing fees pay for NMLS' operations, including licensee system access 362 days per year, ability to maintain, renew and run reports on your licenses, and call center support.



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### **NMLS Training**

There are on-line Training Workshops conducted by the State Regulatory Registry LLC. These Webinar will provide licensees and applicants with tips on using NMLS to transition and manage one or more licenses. The fee for a workshop is \$50. You can obtain further information regarding when the next training workshop is scheduled by accessing the NMLS website ([www.stateregulatoryregistry.org/nmls](http://www.stateregulatoryregistry.org/nmls)) and then clicking on the "NMLS Training Workshops" icon, which is next to the "License Renewal" icon.

### **NMLS Website**

The NMLS website ([www.stateregulatoryregistry.org/nmls](http://www.stateregulatoryregistry.org/nmls)) provides step-by-step instructions on how to access the system, guides on how to complete the MU Forms, each state's transition plans and requirements, tutorials, current and future participating states, system alerts, system processing fees and general background information.

If you have any questions feel free to contact Joanne Landry by e-mail at [jlandry@azdfi.gov](mailto:jlandry@azdfi.gov) or 602-255-4421 X-133. E-mail correspondence will result in a quicker response.

### **IMPORTANT UPDATE PERTAINING TO A.R.S. Section 6-991 *et. seq.*:**

AzDFI is working on legislation to introduce during the 2009 legislative session that would amend the current loan originator licensing law, A.R.S. Section 6-991 *et. seq.*, to meet requirements of the S.A.F.E Act (Public Law 110-289) that passed on July 30, 2008. In addition to Amendments relating to the S.A.F.E. Act, AzDFI is also proposing to extend the deadline for loan originator licensing to July 1, 2010. This would give the loan originators more time to fulfill pre-licensing education requirements and complete the national and state licensing tests. AzDFI should know by the end of the legislative session if the amendments to A.R.S. Section 6-991 *et. seq.* have passed. All loan originators are still required to meet all the licensing requirements currently in A.R.S. section 6-991 *et. seq.* by December 31, 2009 to have the ability to originate residential loans starting January 1, 2010. Please look for any updates on our website, [www.azdfi.gov](http://www.azdfi.gov) and we also plan to notify every licensed mortgage banker and mortgage broker of any updates.

Sincerely,

Richard Fergus  
Division Manager